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DD/S 71-2944

27 JUL 1971

MEMORANDUM FOR: Executive Director-Comptroller

SUBJECT : Proposed Revision [redacted] 25X1

1. Attached for your concurrence is a redraft of [redacted] Special Hiring Considerations, which we are sending to the coordinators for information only. We believe that in view of the changes made in the draft to accommodate recommendations made by the coordinators, further formal coordination is unnecessary. 25X1
2. With respect to comments made by the Director of Planning, Programming, and Budgeting:
 - a. I recommend we retain the policy of hiring government civilian consultants at 90 percent of the current salary of the grade and step held at time of their retirement. (See memorandum from the Director of Personnel attached.)
 - b. I do not agree with the PPS suggestion that a one year's restriction be placed on consultants prior to their rehire. This would preclude the Agency from hiring consultants whose service is needed immediately after retirement, primarily to complete projects yet unfinished, writing history, etc.
 - c. Since it is Agency policy to hire consultants under certain special circumstances PPS's suggestion that we rephrase the regulations to include a clear statement of policy prohibiting the reemployment of retired consultants would be unduly restrictive and does not reflect Agency policy on this subject.

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3. Comments received from OGC and the Plans Directorate have been accommodated in the attached draft. All the other coordinators concurred in the original proposal.

4. I request your concurrence to authenticate the attached revisions
of [redacted]

S/ Robert S. Wattles

Robert S. Wattles
Acting Deputy Director
for Support

Attachments

CONCUR:

LS

L. K. White
Executive Director-Comptroller

Date

29 JUL 1971

DD/RHEP:lp (26 Jul 71)

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TO	NAME AND ADDRESS	DATE	INITIALS
1	Executive Officer to the Deputy Director for Support		
2	7D-24 Headquarters		
3			
4			
5			
6			
ACTION	DIRECT REPLY	PREPARE REPLY	
APPROVAL	DISPATCH	RECOMMENDATION	
COMMENT	FILE	RETURN	
CONCURRENCE	INFORMATION	SIGNATURE	

Remarks:

Charlie,

Addressed to you rather
 than Ex Dir. on assumption DDS
 wants to respond and may
 or may not agree with all
 points covered herein.

FOLD HERE TO RETURN TO SENDER		
FROM: NAME, ADDRESS AND PHONE NO.		DATE
Director of Personnel 5E-56 Headquarters		
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FORM NO. 237 Use previous editions
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71-2318

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9 JUN 1971

MEMORANDUM FOR: Deputy Director for Support

ATTENTION : Executive Officer to the Deputy Director for Support

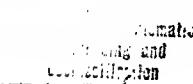
SUBJECT : Review of the 90% Rule

1. At your request, I have reviewed the 90% rule we use for retired annuitants.

2. The 90% rule is rooted in the Agency's unique early retirement program which applies to employees under both the CIA Retirement and Disability System (CIARDS) and the Civil Service Retirement System (CSRS). It is obviously in the Agency's best interests to avoid internal or external charges that we are applying the early retirement program selectively. Re-engaging significant numbers of early retirees could invite such a charge, either from Congress or from an Agency employee who wanted a contract after retirement but was not given one. As a result, the Agency has adopted a conscious negative policy toward the use of its retired civilian annuitants. To keep the total number of annuitants as small as possible, it has applied the same negative approach to civilian annuitants of other Government agencies seeking employment with us.

3. To give the policy bite, the approval authority for rehire has been set at a high level. The Deputy Director concerned and the Director of Personnel are charged with assessing each case. In addition, if the situation is peculiar in any respect or the individual was a supergrade employee, I submit the case to the Executive Director-Comptroller for his consideration. This high approval level has proved to be a substantial deterrent. Unless a solid justification can be prepared, the case is rarely put in process.

4. As an integral part of our negative policy we have limited the compensation payable to retired annuitants. This limitation insures that a rehired annuitant will not have a greater income from the Government after retirement than before. Our original notice on the subject evoked the 100% rule, i.e., an individual's Agency compensation plus his annuity could not exceed the current salary of the grade and step he held at the time of retirement. The 100% rule was reduced to 90% in 1967. This was done to increase the deterrent effect. Equally important, the reduction recognizes certain differences in "take-home pay", i.e., an annuitant carries free FEGLI, normally performs less "responsible" assignments and does not have 7% retirement deductions taken from his annuity and salary. Since 1967, the number of rehired annuitants has remained relatively constant, ranging between 125 and 140.

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5. In my opinion, the negative Agency policy on rehiring civilian annuitants is the correct one. I am also of the opinion that the 90% rule is equitably sound and does have merit as an additional deterrent. I recommend that it be continued.

/s/Harry B. Fisher

**Harry B. Fisher
Director of Personnel**

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OP/CPD/ [redacted] rsw (9 June 1971)

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